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November 9, 2006

Representative Dave Palsrok
Chairperson
House Committee on Natural Resources, Great Lakes, Land Use & Environment
State Capitol
PO Box 30014
Lansing, MI 48909-7514

Dear Representative Palsrok:

I would like to encourage you to hold a committee hearing concerning House Bill 5163 (Penny Plan) and the related resolution, House Joint Resolution O. The Resource Recovery and Recycling Authority of Southwest Oakland County (RRRASOC), by vote of its Board of Directors, supports HB 5163 and believe the bill merits consideration.

Specifically, we believe the Penny Plan has the following positive attributes:

- 1) It acts much like a general consumption tax that assigns the cost of general governmental responsibilities (in this case, subsidizing recycling and environmental protection) broadly across the general population;
- 2) The corollary to point 1 is that it doesn't unfairly tax any one particular group or entity. It can be passed on to consumers (as all taxes are) without hamstringing local governments or other organizations. The retailers that collect the fee would use existing administrative infrastructure and will be compensated for their additional administrative burden;
- 3) The fee will raise revenue from the consumptive behavior of visitors to the state without adversely affecting in-state spending by such visitors;
- 4) The fee will raise a significant amount of funding that will be devoted to recycling;
- 5) The distribution formula proposed in HB 5163, provides necessary funding to local government recycling operations while providing funding for other activities, such as grants for recycling and waste diversion projects and education, as well as litter abatement programs;
- 6) Penny Plan advocates don't profess that it can do things it can't do, such as stop waste importation;
- 7) Tie-barring HB 5163 to HJ O offers the people of the State of Michigan the opportunity to vote on the matter and to ensure that the legislature can't raise the fee arbitrarily or usurp the fee for other purposes.

MEMBER COMMUNITIES

City of Farmington • City of Farmington Hills • City of Novi • City of South Lyon
City of Southfield • City of Walled Lake • City of Wixom • Lyon Township

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As background, RRRASOC is a municipal solid waste authority representing eight communities in southwest Oakland County, covering a geographic area of more than 140 square miles and representing approximately 270,000 residents. RRRASOC has a long history of addressing solid waste issues in an environmentally responsible and fiscally sound manner through intergovernmental cooperation. For more than a dozen years, our member communities have funded and operated curbside and drop-off recycling as well as household hazardous waste, composting, and waste reduction programs. Our communities are deeply committed to environmental protection and view comprehensive and sustainable solid waste management as an important aspect of that commitment.

Thank you for the opportunity to comment on this matter. Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael J. Csapo", with a long horizontal flourish extending to the right.

Michael J. Csapo
General Manager
RRRASOC

C. RRRASOC Board of Directors